

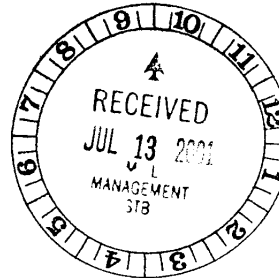


First Union Rail Corporation
One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018
Tel 847 318-7575
Fax 847 318-7588

VIA UPS NEXT DAY AIR

July 12, 2001

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment



Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated May 7, 2001, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation number 22835.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Transportation Equipment, Inc.
16225 Park Ten Place Suite 800
Houston, TX 77084

A description of the railroad equipment covered by the enclosed document is six (6) 5851 cubic foot, lined, plastic pellet, covered hopper cars, equipped with ACF 5135 gates with car numbers FURX 870019-870099, non-inclusive.

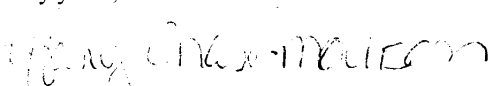
A short summary of the document to appear in the index follows:

Memorandum of Lease between First Union Rail Corporation, Lessor and Transportation Equipment, Inc., Lessee, covering 6 5851 cubic foot, lined, plastic pellet, covered hopper cars, equipped with ACF 5135 gates with car numbers FURX 870019-870099, non-inclusive.

Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,


Tiffany Chase-Morrison
Manager of Documentation

Enclosures

(TE1013)

RECORDATION NO. 22835-A FILED
JUL 17 '01 4-08 PM
Ts
SURFACE TRANSPORTATION BOARD

ASSGN. NO.: TEI013

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 7th day of May, 2001, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Transportation Equipment, Inc. ("Lessee"), a Texas corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of November 29, 1999, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 6 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of May 1, 2001 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: [Signature]
Name: K. A. Dombrowski

By: [Signature]
Name: RICHARD F. SEYMOUR
Vice President Sales & Marketing
Title: _____

Title: DIRECTOR OF DOCUMENTATION Executed on this 7th day of May, 2001.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

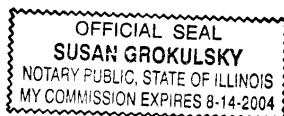
I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 7th day of May, 2001.

[Signature]
Notary Public

My Commission Expires:

8-14-2004
(Notary Public)



RECORDATION NO. 22835-A FILED

JUL 17 '01 4-08 PM

SURFACE TRANSPORTATION BOARD

LESSEE:

TRANSPORTATION EQUIPMENT, INC.

By: Jed W. Helmscamp
Name: Jed W Helmscamp
Title: Vice President

ATTEST:

By: Lori Hughes
Name: Lori Hughes
Title: _____

Executed on this 30th day of April, 2001.

[CORPORATE SEAL]



STATE OF Texas
COUNTY OF HARRIS

I, Lori Hughes, a Notary Public of the County and State aforesaid,
certify that Jed Helmscamp personally appeared before me this day and acknowledged his
due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 30th day of April, 2001.

Lori Hughes
Notary Public

Commission Expires:

1-21-2005
(Notary Public)

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Six (6)

DESCRIPTION OF CARS: 5851 cu. ft. lined, Plastic Pellet Covered Hopper Cars,
equipped with ACF 5135 gates

CAR NUMBERS: FURX 870019, FURX 870021, FURX 870047
FURX 870076, FURX 870079, FURX 870099